GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:12
ANSWERED ON:17.07.2017
Tobacco Production
Subbareddy Shri Yerram Venkata

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of the permission given by the Tobacco Board for production of tobacco in the last three seasons and the current season, season-wise and districtwise, in Andhra Pradesh (AP) along with the total production of tobacco by farmers during the said period;
(b) whether it is true that Tobacco Board started procuring tobacco from 15th March of this year and if so, the details thereof;
(c) whether the rate of tobacco has been brought down by traders and other procuring agencies which results in great loss to tobacco farmers in Prakasam and Nellore districts of AP and if so, the details thereof and the reasons therefor; and
(d) whether any requests have been made for intervention and purchase of low and medium grade tobacco leaves by giving farmers a better price and if so, the action taken by the Government in this regard so far?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a): The details of the permission given by the Tobacco Board for production of tobacco in the season-wise and district -wise, in Andhra Pradesh (AP) along with the total production of tobacco by farmers during 2013-14, 2014-15, 2015-16 and 2016-17 (current season) are as under:-
(Quantity in million kg)
Name of the District 2013-14 2014-15 2015-16 2016-17 (current season)
Crop size fixed Production Crop size fixed Production Crop size fixed Production Crop size fixed Production*
West Godavari 56.426 64.050 56.897 59.720 32.564 36.684 38.887 42.921
East Godavari 6.191 5.200 6.139 5.330 3.522 3.373 4.592 3.630
Khammam 3.276 3.516 3.366 3.240 1.776 2.040 2.355 2.202
Vijayanagaram 0.018 0.020 0.017 0.010 0.005 0.008 0.007 0.009
Rayagada(Odisha) 0.299 0.270 0.281 0.250 0.133 0.135 0.159 0.156
Krishna 0.520 0.000 FCV Tobacco cultivation has been closed - -
Guntur 1.642 1.130 1.688 1.120 1.017 0.977 1.056 0.500
Prakasam 88.978 123.984 89.222 104.670 69.763 65.523 71.704 48.312
Sri Pottisriramulu Nellore 14.650 15.760 14.390 15.710 11.220 9.500 11.240 6.270
Total 172.00
213.930 172.00
190.050
120.00
118.240 130.00
104.00

(*Estimated; During 2016-17 Andhra Pradesh Auctions are in progress. Source: (Tobacco Board)

(b): Tobacco Board has commenced the auctions for sale of 2016-17 FCV tobacco in Andhra Pradesh in two phases. In the first phase, auctions were commenced at 17 Auction Platforms on 15/03/2017 and in second phase auctions commenced at one Auction Platform on 06/04/2017.

(c) to (d): No Madam. Considering the average prices being realized during current auction season in Andhra Pradesh, the medium grade tobacco is being marketed at a higher rate of Rs.14/- to Rs.24/- per kg and low grade tobacco at Rs.10/- per kg than the last year. Soil region wise average prices realized for bright, medium and low grades during current season and last year are given as under:

Name of the district Soil Region Bright grades Medium grades Low grades Total grades
2016 (final) 2017* 2016 (final) 2017* 2016 (final) 2017* 2016 (final) 2017*
East Godavari Northern Black Soil 122.24 156.22 96.16 114.80 62.35 75.88 99.28 135.91
West Godavari Northern Light Soil 157.59 161.56 129.95 140.11 86.49 118.23 132.53 151.55
Prakasam & Nellore Southern Light Soil 136.09 161.89 114.99 139.36 68.73 79.27 109.12 126.63
Southern Black Soil 137.88 162.06 112.72 127.26 73.56 83.69 107.35 131.42

TOTAL 143.59 161.54 120.48 135.82 74.74 84.08 116.09
136.94

2017* as on 06/07/2017

As could be seen from the above table, the prices realized all the bright, medium and low grade tobaccos are higher than the last year prices for these grades of tobacco.

However, this Department had received a representation from one of the public representatives for intervention and purchase of low and medium grade of tobacco leaves by giving farmers a better price. In this connection, it is stated that though the average prices being realized are higher than the last year prices, farmers under Prakasam and Nellore districts had requested to the Tobacco Board for better prices for medium and low grades to reduce the losses which may arise due to lower productivity on account of drought conditions/ adversity of climate, Orobanche (a root parasite in Prakasam and Nellore districts) incidence. To address the concern of tobacco farmers, the Tobacco Board coordinated with M/s ITC Ltd and other trade members to procure medium and low grades of tobacco at a remunerative price. The companies have responded positively and the volumes are picking up. Out of the total estimated production of 104 million kg in the current season, as on 06/07/2017, a quantity of 64.51 million kg was marketed and the average price of Rs.136.94 per kg which is higher by Rs.14/- per kg for the corresponding volume marketed during the last year.

No such requests for intervention and purchase of low and medium grade tea leaves have been received.
***